

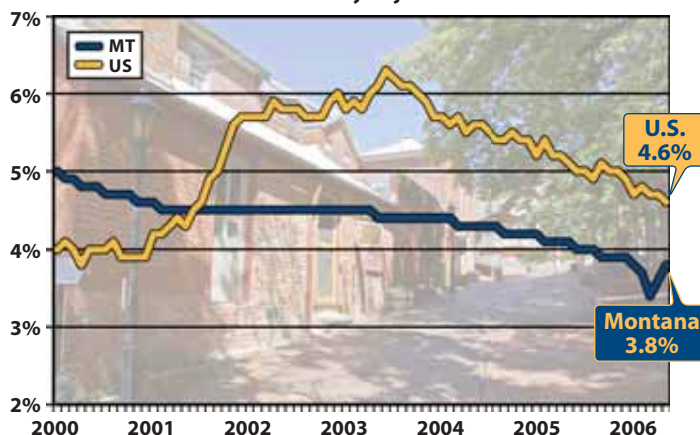
Montana Economy at a Glance



Robert C. Marvin, Editor

UNEMPLOYMENT RATE

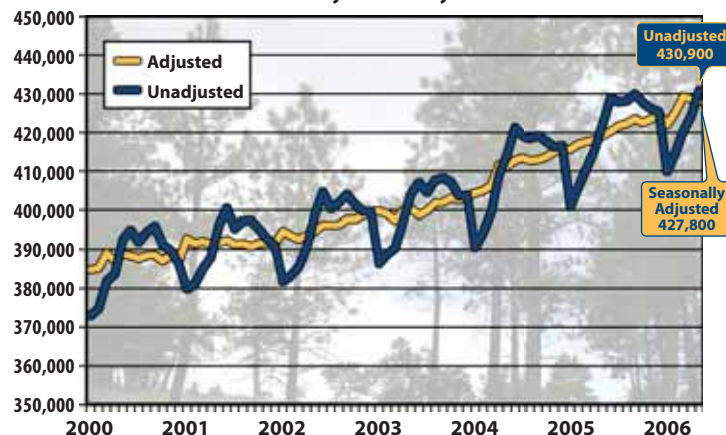
Seasonally Adjusted



Montana's seasonally adjusted unemployment rate rose to 3.8% in May 2006 from 3.6% in April. The U.S. rate dropped slightly to 4.6% from April's 4.7%.

NONFARM EMPLOYMENT

January 2000 - May 2006



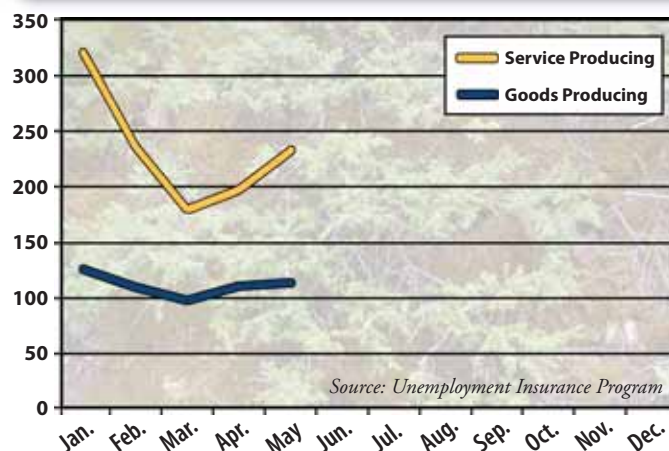
Montana's seasonally adjusted nonagricultural payroll employment lost 800 jobs (-0.2%) over the month for May 2006. The Natural Resources & Mining sector saw a gain of 200 jobs (2.5%), while Leisure & Hospitality took the biggest loss, declining by 700 jobs (-1.3%).

EMPLOYMENT BY INDUSTRY

Industry Employment (in thousands)	May(P) 2006	April 2006	Net Change	Percent Change
Total Non-Agricultural	427.8	428.6	-0.8	-0.2%
Natural Resources & Mining	8.2	8.0	0.2	2.5%
Construction	29.8	30.0	-0.2	-0.7%
Manufacturing	19.3	19.4	-0.1	-0.5%
Trade, Transportation, Utilities	88.8	88.9	-0.1	-0.1%
Information*	7.7	7.6	0.1	1.3%
Financial Activities	21.7	21.8	-0.1	-0.5%
Professional & Business Services	35.8	36.1	-0.3	-0.8%
Education & Health Services*	57.8	57.5	0.3	0.5%
Leisure & Hospitality	55.3	56.0	-0.7	-1.3%
Other Services*	16.8	16.6	0.2	1.2%
Total Government	86.7	86.9	-0.2	-0.2%

*These series are not seasonally adjusted (P) denotes preliminary figures

NEW BUSINESS STARTS



A total of 391 new businesses were started in Montana in May 2006. The construction sector accounted for 29% of these new businesses. Gallatin County was the location of 16% of new businesses, while 12% were located in Flathead County.

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The Importance of Career Planning

By Annette Miller & Robert C. Marvin

"The reason most people never reach their goals is that they don't define them, or ever seriously consider them as believable or achievable. Winners can tell you where they are going, what they plan to do along the way, and who will be sharing the adventure with them."

- Denis Watley

One goal most of us want to reach is economic self-sufficiency. This usually means attaining a job that earns us enough to pay the bills, save for retirement, and have that little extra for recreation and hobbies. While this modest goal may not sound like an impossible dream, consider the challenges Americans face in the current economy. Inflation-adjusted wages have been flat since 2001, while basic costs like medical care, housing, food, cars, and household operations rose by 11.2%.¹ In the face of such challenges, career decisions cannot be left to chance. More than ever, our success depends upon making informed career plans.

Many still consider career planning a one-time occurrence, a concern solely for high school and college students preparing to enter the workforce for the first time. The reality of the current economy is that the job market is more volatile and jobs are less permanent. Twenty million Americans (17%) change jobs each year, and fourteen million of them need some career planning assistance.² Building a career is no longer about finding the right job and keeping it, but about making continual career choices in response to a rapidly changing labor market.³ As Rob Straby puts it, "Work is now defined not by occupational title or categories, but by skills and values. Effective career builders know how to shape and build their career, project by project.

This is a new competency, still largely unrecognized by most adults in the workforce."³ Clearly, the need for good career and labor market information for all age groups is more important than ever.

However, only 41% of adults report that they started in their career through a conscious choice or plan. Many more (69%) say that if they were starting over, they would try to get more information about the job and career options open to them than they got the first time.⁴ This suggests that the majority of people are leaving their career decisions, at least partially, to chance.

What are the consequences of not making a clear, informed career plan? Educational false starts, for one thing. The annual prices for undergraduate tuition, room, and board have been estimated at \$9,246 for public colleges and \$24,748 for private colleges (for the 2003-04 academic year).⁵ Thus, switching majors can cost students several years and thousands of dollars. If this money is taken out in student loans, it will drive up the monthly payments after graduation, making it even harder to make ends meet on a starting salary. The statistics on remedial course taking for postsecondary students also shows some economic consequences for those who have not planned well. Twenty-eight per-

cent of entering freshmen in the fall of 2000 took remedial coursework. Twenty-two percent took remediation in mathematics, fourteen percent in writing, and eleven percent in reading. Often these remedial courses do not count toward a degree. Early intervention in career development allows a student to prepare accordingly to take the proper levels of math, writing, reading, and other coursework to avoid the need for remedial classes.

Another consequence of poor career planning is an all-too-common occurrence in the American workplace: occupational mismatches. Occupational mismatches not only lead to stress, discontent, and even depression for employees, but they can cost big money to employers. An employee who is ill-suited for a particular job is more likely to perform poorly, be less productive, and leave the company, voluntarily or otherwise.

Employee turnover can be a serious financial burden for a company. The cost of replacing an employee has been estimated at anywhere from one-third to two hundred percent of the employee's annual salary. Sound a little high? Consider this: direct costs of replacement can include employee recruitment, reviewing applications, interviewing, and training costs for new hires, while indirect costs include increased workloads and overtime expenses for coworkers, and reduced productivity as the new hire learns the job.⁶

Employee turnover also leads to periods of unemployment, which is a burden on society as a whole. According to Peter Plant, "[Career] guidance is regarded as a cost-effective measure to curb unemployment, which in turn is seen as a waste of human and economic resources. The economic rationale for a number of specific guidance activities is that they may shorten the periods of unemployment, create greater flexibility in the labour market, or support mobility."⁷

Turnover isn't the only consequence of occupational mismatches. The Journal of the American Medical Association estimated that in 2003, workers suffering depression cost employers \$44 billion in lost productive time.² While not all depression can be attributed to employee mismatch, it can be a significant factor.

On the other hand, Scott Gillie tells us that, "people who make informed and considered career decisions make committed and engaged workers. [They] have greater ownership of their work roles, persist in the face of adversity, take initiative, and invest in their ongoing professional development. They are better collaborators, more likely to get along with their coworkers and supervisors, and more likely add value to whatever enterprise in which they engage. All of these qualities add up to increased productivity."² All in all, there seems to be no downside to career planning.



Good goals have some things in common: they are specific, measurable, attainable, realistic, and timely. In order to come up with these common elements in a career plan, information is clearly needed. There are literally thousands of careers to choose from. A good career development professional can help narrow down the occupational choices most suited to the individual. Once a general occupational direction is selected, you can identify the steps needed to get there. Often, the first step will be choosing an educational or vocational program of study. There were 4,236 accredited institutions offering degrees at the associate's degree level or above in 2003-04. Here again we see the importance of having the proper career information and tools to help us make informed decisions about which schools to choose from, which of the thousands of occupational choices match your interests, and which of the thousands of scholarships to apply for.

With so many options and decisions to make, career planning can seem daunting, but a number of tools and programs exist to help job seekers sort through them all. To provide Montanans with easy access to career information, the Montana Career Information System (MCIS) is now available at no cost, thanks to a partnership between the Montana Career Resource Network (MCRN) and the Student Assistance Foundation (www.safmt.org). Additionally, Montana has 23 Job Service Workforce Centers that provide computers for the public to access MCIS. To find a Job Service Workforce Center near you, visit wsd.dli.mt.gov/service/officelist.asp. For additional career planning resources, please visit www.ourfactsyourfuture.org and select "Career Resource Network" from the top menu bar.

There may be no accurate way to measure the true benefits of career planning. On the individual level, it can lead to the personal sense of purpose and emotional well-being that comes with working in a field you love, rather than just working for a paycheck. To employers, it means well-trained, motivated employees, who will be more productive and less likely to job-hop. And the benefits to society? While research on this topic is scarce, one can imagine the myriad ways society might be improved if more people worked in the jobs they were meant to do. The benefits just may be immeasurable.

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Montana's Economy Achieves Same Employment Growth as Last Year, but Earnings are Stronger in 2005

By John Zavalney, Research Specialist

In 2005, the Quarterly Census of Employment & Wages (QCEW) job growth was 2.5% over the previous year, which equals the percentage growth between 2004 and 2003. The big change came from total wages, which gained 7.3%, compared to 6.0% in 2004. The net result amounts to about \$824 million more earnings. Besides regular wages and salary pay, the QCEW includes commissions, bonuses, executive pay and profits distributed, and these components played a strong part in the overall increases in 2005.

A detailed QCEW table can be found on our website: www.ourfactsyourfuture.org. This table includes the 2005 statewide industry review of information such as employment, total wages, average wage and percentage comparison. This information is summarized to the right.

Highest Paying Industries:

Petroleum Manufacturing	\$80,502
Security & Financial Investment Activities	\$79,225
Paper Manufacturing	\$64,664
Oil & Gas Extraction	\$62,247

Lowest Paying Industries:

Food Services & Drinking Places	\$10,320 (Not all tips included)
Fishing & Hunting	\$11,697
Motion Picture industry	\$12,886
Transit & Passenger Transportation	\$13,816

Leading the gains in 2005 were the mining and construction sectors. These two industries combined for about 22% of the job growth and about 36% of the wage increase.

Standing out in the job decline were two components of the government sector, as local and federal combined for a nearly 4% decrease from last year, but they still had a wage gain of about 7% over last year.

We have recently expanded the county QCEW data on our website. A downloadable Excel spreadsheet is now available for each county's 2003-2005 annual average employment and wages. While more countywide information is nondisclosable (to protect employer confidentiality) than at the statewide level, the number of establishments for each industry sector is listed. Some businesses have given us permission to use their employment and earnings, and their generosity makes it possible to present a more accurate picture of regional economics, such as the importance of mining activity

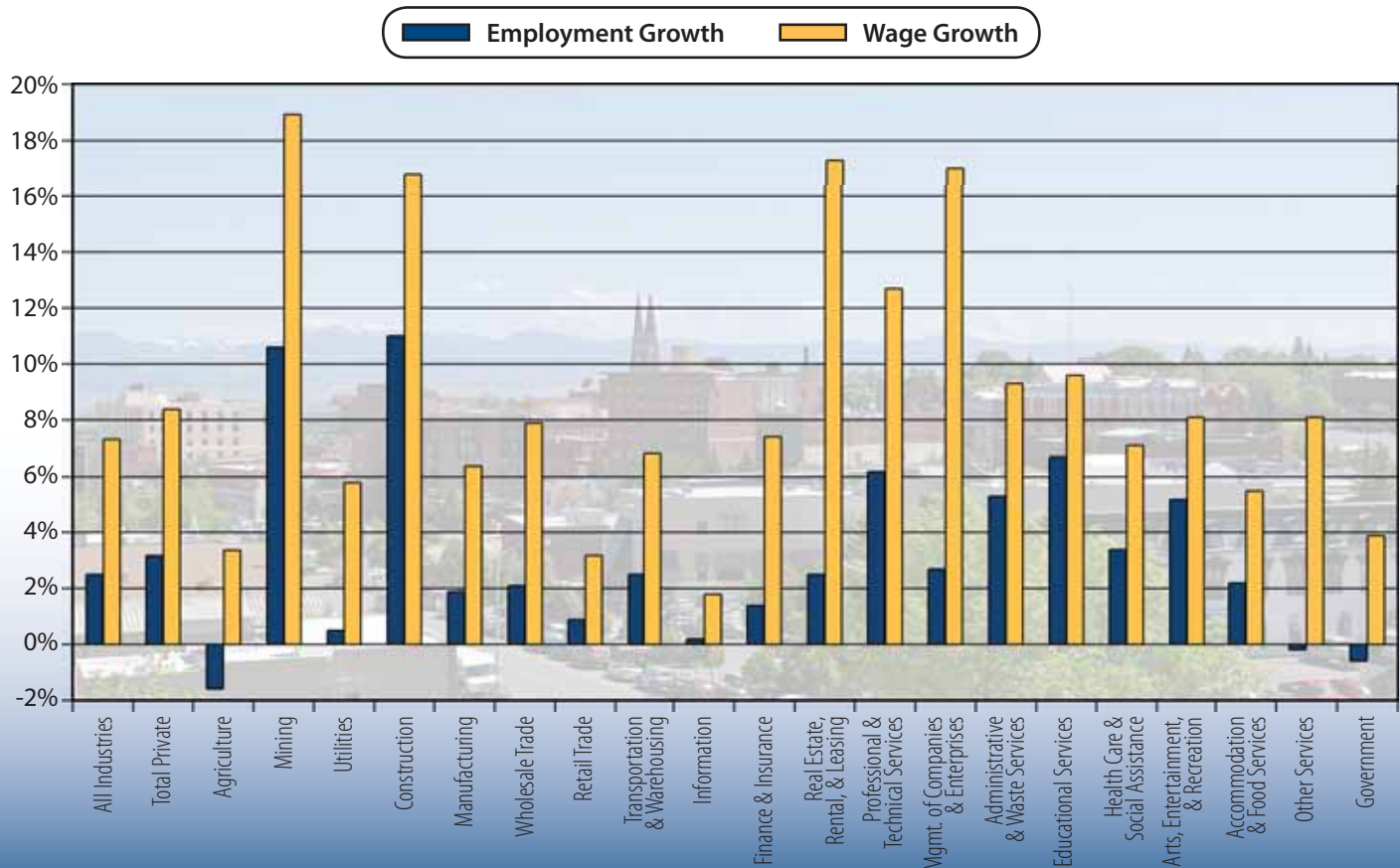
in Stillwater and Sweet Grass counties. There are also several county summary tables on the website, including a county annual average wage ranking table.

By combining available information, one can identify the counties with the highest annual average wages and the significant industry influence: Stillwater (\$38,720-mining), Sweet Grass (\$34,687-mining), Rosebud (\$32,391-mining), Fallon (\$32,662-mining), Lewis & Clark (\$32,243-government and professional & technical), and Yellowstone (\$32,113-manufacturing and medical).

Another table reviews the seven largest counties' economic activity (69% of state's employment). This shows Gallatin experienced the largest percentage employment growth, while Silver Bow had the greatest percentage wage gain in 2005.

To view these detailed tables, simply log on to our website and click on "Industry (QCEW)" located on the left sidebar.

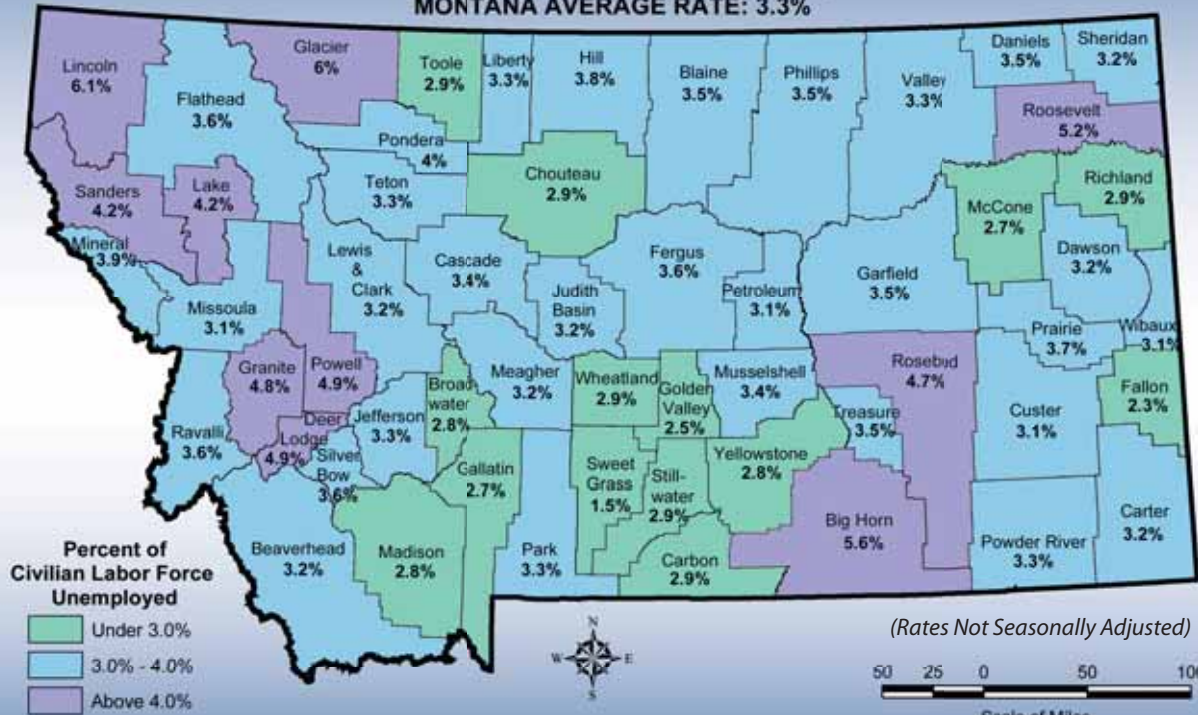
Montana's Employment & Wage Growth, Annual Averages 2005



MONTANA UNEMPLOYMENT: MAY 2006

Percent of Civilian Labor Force Unemployed

MONTANA AVERAGE RATE: 3.3%



Source: MONTANA ANNUAL CIVILIAN LABOR FORCE STATISTICS, 2005, Montana Department of Labor & Industry, Research and Analysis Bureau, May 2006. Graphic by: Census & Economic Information Center, Montana Department of Commerce, 301 S. Park Ave., Helena, MT 59620-0905, Phone: 406-841-2740, Email: ceic@mt.gov, Web: http://ceic.mt.gov

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